

**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE
CITY OF HUNTINGTON PARK OVERSIGHT BOARD
CITY OF HUNTINGTON PARK
CITY COUNCIL CHAMBERS
6550 MILES AVENUE
HUNTINGTON PARK, CALIFORNIA, 90255**

Wednesday, December 12, 2012

3:30 PM

I. CALL TO ORDER

Rhonda Rangel, Oversight Board staff, called the meeting to order 3:36 p.m

II. ROLL CALL

Rhonda Rangel, Oversight Board staff, called the roll.

Present: Board Member Eduardo Adame, Board Member Albert Fontanez,
Board Member Richard Verches and Vice Chair Yolanda Duarte

Absent: Board Member Luis Buendia, Board Member Theresa Villegas
and Chair Elba Guerrero

III. REPORTS

1. Report on Cash Flow Summary and update of bonds. (12-5674)

Julio Morales, Finance Director, disseminated a revised Cash Flow Summary to the Board and presented an overview of the summary. Brent Kuhn, Financial Consultant with Vavrinek, Trine, Day, and Co. LLP, was also present to answer questions posed by the Board.

Mr. Morales stated that there were no Administrative Costs listed on the Recognized Obligation Payment Schedules 1, 2, and 3 and the charts presented are based on an estimate and clearly show a cash flow shortfall.

Mr. Kuhn added that that the City felt the County deferral amount should be much less and had a discussion with the County Auditor Controllers regarding the calculation of the deferral and how it put the City in a negative situation. He added that the remittance will be coming first week of January and until then, they will not know the final amount the City will be receiving.

Mr. Morales disseminated an Interim Arbitrage Rebate and Yield Restriction Analyses to the Board, adding that there was a 2004 Bond Payment issue that was not placed on the ROPS or any other records. If it is not paid, it can become taxable and if it gets paid today, the liability stops growing. Mr. Morales added that the proceeds from the sales of land will go to pay this.

Board Member Verches requested clarification on how this item was not included in ROPS previously approved by the Board. He added that it needs to be included on the next ROPS and would like to see if the Department of Finance (DOF) will approve the item.

Mr. Kuhn clarified that the rebates payments are made every five years and there were no payments due when approving the previous ROPS, but it would eventually have been placed on the ROPS.

Vice Chair Duarte and Board Member Verches requested Mr. Morales to indicate on future Enforceable Obligations-ROPS III Chart, the items the Board approved and the items the DOF approved, so there is a clear indication on where the difference are. Board Member Verches also requested, on future charts, that items such as Salaries, be clarified with details on what they include.

Mr. Morales stated that that Successor Agency staff had a Meet and Confer with the DOF regarding the Middleton Affordable Housing Project and is waiting for a response.

By Common Consent, there being no objection (Board Member Villegas, Buendia, and Chair Guerrero being absent), the Board received and filed the report.

Attachments: [SUPPORTING DOCUMENT](#)

IV. DISCUSSION

- 2.** Discussion and review of the draft Due Diligence Review of Non-Housing Funds pursuant to Health and Safety Code Section 34179.5. (12-5671)

Julio Morales, Finance Director informed the Board that a few adjustments need to made to the Due Diligence Review of Non-Housing Funds. In addition there are some reconciliation issues that need to be resolved. Brent Kuhn, Financial Consultant with Vavrinek, Trine, Day, and Co. LLP, added that they will report back at the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

3. Discussion and update on legal counsel for the Huntington Park Oversight Board. (12-5673)

Fernanda Palacios, Project Director, provided an overview of the staff report provided to the Board Members. She added that on June 7, 2012 the Board directed Successor Agency staff to release the Request for Qualification (RFQ) for legal counsel for the Oversight Board. They received three responses and the process has since halted.

Julio Morales, Finance Director, agreed with the Board that legal counsel is needed and the process should go forward. Board Member Verches stated that he is a member of other Oversight Boards that have retained Counsel. In addition, he stated that the Oversight Board did not make the decision to halt the process of acquiring legal counsel, nor did they vote to stop the process. He added that that Successor Agency staff informed the Board that there was no money for legal counsel and staff made the decision to suspend the process.

Vice Chair Duarte voiced concern that only three candidates submitted a RFQ. The Board discussed reissuing the RFQ, but agreed to contact the three original applicants to confirm their interest.

Vice Chair suggested holding a Closed Session during the next meeting to interview the interested candidates and requested that Ms. Palacios contact the applicants.

Ms. Palacios will also be the staff contact going forward with the process of obtaining legal counsel.

By Common Consent, there being no objection (Board Member Villegas, Buendia, and Chair Guerrero being absent), the Board received and filed the report.

Attachments: [SUPPORTING DOCUMENT](#)

V. MISCELLANEOUS

4. Matters not on the posted agenda (to be presented and placed on the agenda for a future meeting). (12-5676)

Julio Morales, Finance Director, requested to provide a regular update on the four

properties owned by the former Community Development Commission. Mr. Morales added that an appraiser has been identified and all of the properties are paid off. However, some of the properties are contaminated and will be sold as is. He provided a brief overview of the following four properties:

1. Carmelita
2. Southland steel
3. Heritage plaza
4. Parking lots-6908 Rugby Avenue

Mr. Morales will be providing a regular update at future meetings.

5. Public Comment (Opportunity for Members of the Public to Address the Board on Items of Interest that are Within the Jurisdiction of the Board). (12-5677)

There was none.

6. Chair of Board Member Comments. (12-5678)

There was none.

7. Adjournment of the Regular Meeting of December 12, 2012. (12-5679)

The meeting adjourned at 4:54 p.m.